



February 25, 2014

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## ENGROSSED SENATE BILL No. 357

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DIGEST OF SB 357 (Updated February 25, 2014 12:23 pm - DI 109)

**Citations Affected:** IC 15-15; IC 15-16; IC 34-30; IC 35-48.

**Synopsis:** Industrial hemp. Subject to federal approval, authorizes the state seed commissioner to license the cultivation and production of industrial hemp. Establishes requirements to obtain a license. Authorizes inspections by the state police and audits by the state seed commissioner. Provides that in addition to any other liability or penalty, the state seed commissioner may revoke or refuse to renew a license and may impose a civil penalty. Requires the state seed commissioner to apply for necessary permissions, waivers, or other form of legal status by the United States Drug Enforcement Agency or other appropriate federal agency that is necessary to implement the law. Makes a conforming amendment to the definition of "marijuana". Provides that a person that supplies, distributes, stores, manufactures,  
(Continued next page)

**Effective:** Upon passage; July 1, 2014.

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**Young R, Yoder, Steele, Stoops,  
Tallian, Waterman, Boots**

(HOUSE SPONSORS — CLERE, LEHE, FRIEND, MOED)

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January 14, 2014, read first time and referred to Committee on Agriculture and Natural Resources.

January 27, 2014, amended, reported favorably — Do Pass.

January 30, 2014, read second time, ordered engrossed.

January 31, 2014, engrossed.

February 3, 2014, read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

February 11, 2014, read first time and referred to Committee on Agriculture and Rural Development.

February 25, 2014, amended, reported — Do Pass.

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or refines a transportation fuel is not liable for bodily injury or any damage that results if a self-service purchaser introduces into a motor vehicle, motor vehicle engine, nonroad engine, nonroad vehicle, or nonroad equipment a transportation fuel that is: (1) not approved for the motor vehicle, a motor vehicle engine, a nonroad engine, a nonroad vehicle, or nonroad equipment; or (2) not recommended by the warranty applying to the motor vehicle, motor vehicle engine, nonroad engine, nonroad vehicle, or nonroad equipment. Provides that a retailer is not liable for bodily injury or any damage that results if a self-service purchaser introduces into a motor vehicle, motor vehicle engine, nonroad vehicle, nonroad engine, or nonroad equipment a transportation fuel not approved for the motor vehicle, motor vehicle engine, nonroad vehicle, nonroad engine, or nonroad equipment or not recommended by the warranty of the manufacturer of the motor vehicle, motor vehicle engine, nonroad engine, nonroad vehicle, or nonroad equipment, if a certain statement (or a substantially similar statement) is prominently displayed on the pump. Provides that transportation fuel is not considered a defective product if it does not violate a control or prohibition concerning a characteristic or component of the transportation fuel that is imposed by the administrator of the U.S. Environmental Protection Agency. Provides that: (1) a person is not liable for bodily injury or property damage that results if an underground storage tank, underground storage tank system, or associated dispensing equipment used to store or dispense a transportation fuel is not compatible with that transportation fuel; and (2) a provider of financial assurance may not deny payment for a claim on the basis that an underground storage tank, underground storage tank system, or associated dispensing equipment used to store or dispense a transportation fuel was not compatible with that transportation fuel; if the tank, system, or equipment has been determined to be compatible with the transportation fuel under certain terms. Provides that an underground storage tank, underground storage tank system, or associated dispensing equipment that has been listed by a nationally recognized testing laboratory as compatible with a transportation fuel is considered compatible with that transportation fuel.



February 25, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## ENGROSSED SENATE BILL No. 357

A BILL FOR AN ACT to amend the Indiana Code concerning agricultural products and fuels.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 15-15-13 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]:

4 **Chapter 13. Industrial Hemp**

5 **Sec. 0.5. The state seed commissioner shall administer this**  
6 **chapter.**

7 **Sec. 1. Nothing in this chapter authorizes any person to violate**  
8 **any federal law or regulation.**

9 **Sec. 2. As used in this chapter, "agricultural hemp seed" means**  
10 **Cannabis sativa seed that meets any labeling, quality, and other**  
11 **standards set by the state seed commissioner and that is intended**  
12 **for sale or is sold to, or purchased by, licensed growers for**  
13 **planting.**

14 **Sec. 3. As used in this chapter, "crop" means any industrial**  
15 **hemp grown under a single license.**

16 **Sec. 4. As used in this chapter, "grower" means:**

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- (1) an individual, a partnership, a company, or a corporation that produces industrial hemp for commercial purposes; or
- (2) a person, as part of an industrial hemp research program conducted by a state educational institution (as defined by IC 21-7-13-32).

Sec. 5. As used in this chapter, "handler" means an individual, a partnership, a company, or a corporation that receives industrial hemp for scientific research, or for processing into commodities, products, or agricultural hemp seed.

Sec. 6. As used in this chapter, "industrial hemp" means:

- (1) all nonseed parts and varieties of the *Cannabis sativa* plant, whether growing or not, that contain a crop wide average tetrahydrocannabinol (THC) concentration that does not exceed the lesser of:

- (A) three-tenths of one percent (0.3%) on a dry weight basis; or

- (B) the percent based on a dry weight basis determined by the federal Controlled Substances Act (21 U.S.C. 801 et seq.); or

- (2) any *Cannabis sativa* seed that is:

- (A) part of a growing crop;

- (B) retained by a grower for future planting; or

- (C) for processing into, or use as, agricultural hemp seed.

The term does not include industrial hemp commodities or products.

Sec. 7. (a) Subject to section 15 of this chapter, the production of, possession of, scientific study of, and commerce in industrial hemp is authorized in Indiana. Industrial hemp is an agricultural product that is subject to regulation by the state seed commissioner. The state seed commissioner shall adopt rules to oversee the licensing, production, and management of:

- (1) industrial hemp; and

- (2) agricultural hemp seed;

to ensure integrity of audits and security of field sites of each commodity.

(b) All growers and handlers must have an industrial hemp license issued by the state seed commissioner. Growers and handlers engaged in the production of agricultural hemp seed must also have an agricultural hemp seed production license.

(c) An application for an industrial hemp license or agricultural hemp seed production license must include the following:

- (1) The name and address of the applicant.



(2) The name and address of the industrial hemp operation of the applicant.

(3) The global positioning system coordinates and legal description of the property used for the industrial hemp operation.

(4) If the industrial hemp license or agricultural hemp seed production license application is made by a grower, the acreage size of the field where the industrial hemp will be grown.

(5) A statement signed by the applicant, under penalty of perjury, that the person applying for the industrial hemp license or agricultural hemp seed production license has not been convicted of a drug related felony or misdemeanor in the previous ten (10) years.

(6) A written consent allowing the state police department to conduct a state or national criminal history background check.

(7) A written consent allowing the state police department, if a license is issued to the applicant, to enter the premises on which the industrial hemp is grown to conduct physical inspections of industrial hemp planted and grown by the applicant, and to ensure the plants meet the definition of industrial hemp as set forth in section 6 of this chapter. Not more than two (2) physical inspections may be conducted under this subdivision per year, unless a valid search warrant for an inspection has been issued by a court of competent jurisdiction.

(8) A nonrefundable application fee, which must include the amount necessary to conduct a state or national criminal history background check, in an amount determined by the state seed commissioner.

(9) Any other information required by the state seed commissioner.

**Sec. 8. (a) Each license application received under this chapter must be processed as follows:**

(1) Upon receipt of a license application, the state seed commissioner shall forward a copy of the application to the state police department. The state police department shall do the following:

(A) Perform a state or national criminal history background check of the applicant.

(B) Determine if the requirements under section 7(c)(5) of



1 this chapter concerning prior criminal convictions have  
2 been met.

3 (C) Return the application to the state seed commissioner  
4 along with the state police department's determinations  
5 and a copy of the state or national criminal history  
6 background check.

7 (2) The state seed commissioner shall review the license  
8 application returned from the state police department.

9 (b) If the state seed commissioner determines that all the  
10 requirements under this chapter have been met and that a license  
11 should be granted to the applicant, the state seed commissioner  
12 shall approve the application for issuance of a license.

13 (c) An industrial hemp license or agricultural hemp seed  
14 production license is valid for a one (1) year term unless revoked.  
15 An industrial hemp license or agricultural hemp seed production  
16 license may be renewed in accordance with rules adopted by the  
17 state seed commissioner and is nontransferable.

18 Sec. 9. (a) An agricultural hemp seed production license issued  
19 under this chapter authorizes a grower or handler to produce and  
20 handle agricultural hemp seed for sale to licensed industrial hemp  
21 growers and handlers. A seller of agricultural hemp seed shall  
22 ensure that the seed complies with any standards set by the state  
23 seed commissioner. The state seed commissioner shall make  
24 available to growers information that identifies sellers of  
25 agricultural hemp seed.

26 (b) Subject to rules adopted by the state seed commissioner, a  
27 grower may retain seed from each industrial hemp crop to ensure  
28 a sufficient supply of seed for that grower for the following year.  
29 A grower does not need an agricultural hemp seed production  
30 license in order to retain seed for future planting. Seed retained by  
31 a grower may not be sold or transferred and is not required to  
32 meet the state seed commissioner's agricultural hemp seed  
33 standards.

34 (c) All growers and handlers must keep records in accordance  
35 with rules adopted by the state seed commissioner. Upon at least  
36 three (3) days notice, the state seed commissioner may audit the  
37 required records during normal business hours. The state seed  
38 commissioner may conduct an audit for the purpose of ensuring  
39 compliance with:

40 (1) this chapter;

41 (2) rules adopted by the state seed commissioner; or

42 (3) industrial hemp license or agricultural hemp seed



production license requirements, terms, and conditions.

(d) In addition to an audit conducted in accordance with subsection (c), the state seed commissioner may inspect independently, or in cooperation with the state police department, a federal law enforcement agency, or a local law enforcement agency, any industrial hemp crop during the crop's growth phase and take a representative composite sample for field analysis. If a crop contains an average tetrahydrocannabinol (THC) concentration exceeding the lesser of:

(1) three-tenths of one percent (0.3%) on a dry weight basis;

or

(2) the percent based on a dry weight basis determined by the federal Controlled Substance Act (21 U.S.C. 801 et seq.);

the state seed commissioner may detain, seize, or embargo the crop.

Sec. 10. The amount of any fees charged growers and handlers by the state seed commissioner under this chapter must be sufficient to cover the cost of the administration of this chapter, including the cost of conducting audits and testing.

Sec. 11. Only an industrial hemp licensee, the licensee's designee, or the licensee's agents may be permitted to transport industrial hemp off a production site. When transporting industrial hemp off the production site, the industrial hemp licensee, designee, or agent shall have in the licensee's, designee's, or agent's possession the licensing documents from the state seed commissioner evidencing that the industrial hemp is from certified seed produced by a licensed grower.

Sec. 12. The state seed commissioner is responsible for the following:

(1) Monitoring the industrial hemp grown by any license holder.

(2) Conducting random testing of the industrial hemp for compliance with tetrahydrocannabinol (THC) levels.

(3) Establishing necessary testing criteria and protocols.

(4) Establishing the minimum number of acres to be planted under each license issued under this chapter.

Sec. 13. (a) In addition to any other liability or penalty provided by law, the state seed commissioner may revoke or refuse to issue or renew an industrial hemp license or an agricultural hemp seed production license and may impose a civil penalty for a violation of:

(1) a license requirement;



1           (2) license terms or conditions; or

2           (3) a rule relating to growing or handling industrial hemp.

3           (b) The state seed commissioner may not impose a civil penalty  
4 under this section that exceeds two thousand five hundred dollars  
5 (\$2,500).

6           (c) The state seed commissioner may revoke or refuse to issue or  
7 renew an industrial hemp license or an agricultural hemp seed  
8 production license for a violation of any rule of the state seed  
9 commissioner that pertains to agricultural operations or activities  
10 other than industrial hemp growing or handling.

11          Sec. 14. The state seed commissioner shall adopt rules under  
12 IC 4-22-2 to implement and administer this chapter.

13          Sec. 15. (a) Notwithstanding any other law, the state seed  
14 commissioner may not grant any license until the state seed  
15 commissioner has secured any necessary permissions, waivers, or  
16 other form of legal status by the United States Drug Enforcement  
17 Agency or other appropriate federal agency concerning industrial  
18 hemp.

19          (b) The state seed commissioner shall apply for any necessary  
20 permissions, waivers, or other forms of legal status by the United  
21 States Drug Enforcement Agency or other appropriate federal  
22 agency that is necessary to implement this chapter before January  
23 1, 2015.

24          (c) The state seed commissioner may not implement a waiver  
25 under this section until the state seed commissioner files an  
26 affidavit with the governor attesting that the federal permission or  
27 waiver applied for under this section is in effect. The state seed  
28 commissioner shall file the affidavit under this subsection not later  
29 than five (5) days after the state seed commissioner is notified that  
30 the waiver is approved.

31          (d) If the state seed commissioner receives a waiver permission  
32 under this section from all the appropriate federal agencies and the  
33 governor receives the affidavit filed under subsection (c), the state  
34 seed commissioner shall implement this chapter, subject to the  
35 terms and conditions of the permission or waiver received, not  
36 more than sixty (60) days after the governor receives the affidavit.

37          SECTION 2. IC 15-16-2-36, AS ADDED BY P.L.2-2008,  
38 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 JULY 1, 2014]: Sec. 36. (a) Notwithstanding any other law, all excess  
40 funds accumulated from the fees collected by:

41           (1) the state chemist, under this chapter, IC 15-15-2, IC 15-16-4,  
42           and IC 15-19-7; and





(2) the state seed commissioner under IC 15-15-1 and  
**IC 15-15-13;**  
 shall be paid to the treasurer of Purdue University. The funds shall be  
 administered by the board of trustees of Purdue University.

(b) On approval of the governor and the budget agency, the board  
 of trustees may spend the excess funds for the construction, operation,  
 rehabilitation, and repair of buildings, structures, or other facilities  
 used for:

(1) carrying out the purposes of those chapters referred to in  
 subsection (a) under which the fees are collected; or

(2) the agricultural programs authorized by law and in support of  
 the purposes of the chapters referred to in subsection (a).

SECTION 3. IC 34-30-24.2 IS ADDED TO THE INDIANA CODE  
 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 JULY 1, 2014]:

**Chapter 24.2. Immunity Related to Domestic Fuels**

**Sec. 1. As used in this chapter, "associated dispensing  
 equipment" means equipment that is:**

(1) intended for the storage and dispensing of any  
 transportation fuel at a stationary facility that dispenses the  
 transportation fuel into any fuel tank of any motor vehicle,  
 motor vehicle engine, nonroad vehicle, nonroad engine, or  
 nonroad equipment; and

(2) subject to regulation under 29 CFR 1910.106 and 29 CFR  
 1926.152.

**Sec. 2. For purposes of this chapter, "compatible" has the  
 meaning set forth in 40 CFR 280.12.**

**Sec. 3. As used in this chapter, "E15" means a transportation  
 fuel consisting of gasoline and ethanol, with ethanol constituting  
 not more than fifteen percent (15%) of the volume of the  
 transportation fuel.**

**Sec. 4. As used in this chapter, "motor vehicle" has the meaning  
 set forth in Section 216 of the federal Clean Air Act, 42 U.S.C.  
 7550.**

**Sec. 5. As used in this chapter, "motor vehicle engine" means an  
 engine in a motor vehicle.**

**Sec. 6. As used in this chapter, "nonroad engine" has the  
 meaning set forth in Section 216 of the federal Clean Air Act, 42  
 U.S.C. 7550.**

**Sec. 7. As used in this chapter, "nonroad equipment" means any  
 recreational, construction, industrial, agricultural, logging,  
 residential, commercial lawn and garden, or other equipment that**



1 is powered by a nonroad engine.

2 Sec. 8. As used in this chapter, "nonroad vehicle" has the  
3 meaning set forth in Section 216 of the federal Clean Air Act, 42  
4 U.S.C. 7550.

5 Sec. 9. As used in this chapter, "person" includes the following:

- 6 (1) An individual.
- 7 (2) A corporation.
- 8 (3) A company.
- 9 (4) An association.
- 10 (5) A firm.
- 11 (6) A partnership.
- 12 (7) A society.
- 13 (8) A joint stock company.
- 14 (9) A governmental entity, including:
  - 15 (A) the state;
  - 16 (B) a county; and
  - 17 (C) a political subdivision (as defined in IC 36-1-2-13).

18 Sec. 10. As used in this chapter, "provider of financial  
19 assurance" means an entity that provides financial assurance to an  
20 owner or operator of an underground storage tank through one (1)  
21 of the mechanisms listed in 40 CFR 280.95 through 40 CFR  
22 280.103, including a guarantor, an insurer, a risk retention group,  
23 a surety, the issuer of a letter of credit, the issuer of a  
24 state-required mechanism, and a state.

25 Sec. 11. As used in this chapter, "qualified person" means a  
26 person that sells, supplies, distributes, stores, manufactures, or  
27 refines a transportation fuel.

28 Sec. 12. As used in this chapter, "retailer" means a qualified  
29 person that operates the pump from which a transportation fuel is  
30 dispensed.

31 Sec. 13. As used in this chapter, "transportation fuel" means  
32 any fuel or fuel additive that is authorized, after January 1, 2010,  
33 by the administrator of the U.S. Environmental Protection Agency  
34 or under any federal law, for use in:

- 35 (1) a motor vehicle;
- 36 (2) a motor vehicle engine;
- 37 (3) a nonroad vehicle;
- 38 (4) a nonroad engine; or
- 39 (5) nonroad equipment.

40 The term includes E15.

41 Sec. 14. As used in this chapter, "underground storage tank"  
42 has the meaning set forth in IC 13-11-2-241.



1       **Sec. 15. As used in this chapter, "underground storage tank**  
 2 **system" means an underground storage tank and:**

- 3       **(1) connected underground piping;**  
 4       **(2) underground ancillary equipment; and**  
 5       **(3) a containment system, if any.**

6       **Sec. 16. (a) A qualified person other than a retailer is not liable**  
 7 **for bodily injury or any damage that results if a self-service**  
 8 **purchaser introduces into a motor vehicle, a motor vehicle engine,**  
 9 **a nonroad vehicle, a nonroad engine, or nonroad equipment a**  
 10 **transportation fuel that is:**

- 11       **(1) not approved for the motor vehicle, motor vehicle engine,**  
 12 **nonroad vehicle, nonroad engine, or nonroad equipment**  
 13 **under Section 211 of the federal Clean Air Act, 42 U.S.C.**  
 14 **7545; or**  
 15       **(2) not recommended by the warranty of the manufacturer of**  
 16 **the motor vehicle, motor vehicle engine, nonroad engine,**  
 17 **nonroad vehicle, or nonroad equipment.**

18       **(b) A retailer is not liable for bodily injury or any damage that**  
 19 **results if:**

- 20       **(1) a self-service purchaser introduces into a motor vehicle, a**  
 21 **motor vehicle engine, a nonroad vehicle, a nonroad engine, or**  
 22 **nonroad equipment a transportation fuel:**

23       **(A) not approved for the motor vehicle, motor vehicle**  
 24 **engine, nonroad vehicle, nonroad engine, or nonroad**  
 25 **equipment under Section 211 of the federal Clean Air Act,**  
 26 **42 U.S.C. 7545; or**

27       **(B) not recommended by the warranty of the manufacturer**  
 28 **of the motor vehicle, motor vehicle engine, nonroad engine,**  
 29 **nonroad vehicle, or nonroad equipment; and**

- 30       **(2) the following statement, or a substantially similar**  
 31 **statement, is prominently displayed on the pump from which**  
 32 **the self-service purchaser pumps the transportation fuel:**

33       **"THIS FUEL CONTAINS UP TO 15% ETHANOL.**

34       **Before fueling, regardless of the model or year of your vehicle,**  
 35 **check your manufacturer's warranty regarding the**  
 36 **compatibility of this fuel with your vehicle."**

37       **Sec. 17. A transportation fuel is not considered a defective**  
 38 **product if it does not violate a control or prohibition concerning a**  
 39 **characteristic or component of the transportation fuel that is**  
 40 **imposed by the administrator of the United States Environmental**  
 41 **Protection Agency under Section 211 of the federal Clean Air Act,**  
 42 **42 U.S.C. 7545.**



1       **Sec. 18. (a) A person is not liable for bodily injury or property**  
 2 **damage that results if an underground storage tank, an**  
 3 **underground storage tank system, or associated dispensing**  
 4 **equipment that is used to store or dispense a transportation fuel is**  
 5 **not compatible with that transportation fuel if the tank, system, or**  
 6 **equipment has been determined to be compatible with the**  
 7 **transportation fuel under subsection (c) or (d).**

8       **(b) A provider of financial assurance may not deny payment for**  
 9 **a claim on the basis that an underground storage tank, an**  
 10 **underground storage tank system, or associated dispensing**  
 11 **equipment that was used to store or dispense a transportation fuel**  
 12 **was not compatible with that transportation fuel if the tank,**  
 13 **system, or equipment has been determined to be compatible with**  
 14 **the transportation fuel under subsection (c) or (d).**

15       **(c) If an applicable law or regulation requires that an**  
 16 **underground storage tank, an underground storage tank system,**  
 17 **or associated dispensing equipment used to store or dispense a**  
 18 **transportation fuel be listed by a nationally recognized testing**  
 19 **laboratory and the requirement addresses material compatibility**  
 20 **for the substance to be stored or dispensed from the tank, system,**  
 21 **or equipment, the manufacturer of the tank, system, or equipment**  
 22 **shall be provided the opportunity to satisfy the requirement by**  
 23 **self-certifying the tank, system, or equipment under the following**  
 24 **terms:**

25       **(1) The manufacturer must be required to provide empirical**  
 26 **information that:**

27       **(A) is substantially similar to the data used by a nationally**  
 28 **recognized testing laboratory; and**

29       **(B) would result in an approval of the tank, system, or**  
 30 **equipment if requested by the equipment owner,**  
 31 **regulatory body, insurance agency, or other materially**  
 32 **affected party.**

33       **(2) The manufacturer must sign a letter specifying:**

34       **(A) that the tank, system, or equipment is compatible with**  
 35 **the specific fuels or the range of biofuel blends; and**

36       **(B) that the compatibility of the tank, system, or equipment**  
 37 **is substantiated by the empirical information referred to in**  
 38 **subdivision (1).**

39       **(3) The letter must be sent:**

40       **(A) to the Petroleum Equipment Institute for publication**  
 41 **in the Petroleum Equipment Institute's "Biofuels**  
 42 **Compatibility Library"; or**



(B) to a similar clearing house for publication in a similar publication.

(d) If an underground storage tank, an underground storage tank system, or associated dispensing equipment used to store or dispense a transportation fuel is not required by an applicable law or regulation to be listed by a nationally recognized testing laboratory, the manufacturer's approval of the tank, system, or equipment is an acceptable method of demonstrating that the tank, system, or equipment is compatible with the transportation fuel for the purposes of subsections (a) and (b).

(e) Any underground storage tank, underground storage tank system, or associated dispensing equipment that, as of July 1, 2014, has been listed by a nationally recognized testing laboratory as compatible with a transportation fuel is considered compatible with that transportation fuel for purposes of this section.

SECTION 4. IC 35-48-1-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) "Marijuana" means any part of the plant genus *Cannabis* whether growing or not; the seeds thereof; the resin extracted from any part of the plant, including hashish and hash oil; any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. ~~It~~

(b) The term does not include:

- (1) the mature stalks of the plant;
- (2) fiber produced from the stalks;
- (3) oil or cake made from the seeds of the plant;
- (4) any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom); or
- (5) the sterilized seed of the plant which is incapable of germination; or

(6) industrial hemp as defined by IC 15-15-13-6.

SECTION 5. An emergency is declared for this act.



## COMMITTEE REPORT

Madam President: The Senate Committee on Agriculture and Natural Resources, to which was referred Senate Bill No. 357, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 1, delete "IC 15-11-6.5" and insert "IC 15-15-13".

Page 1, line 4, delete "6.5." and insert "**13.**".

Page 1, between lines 4 and 5, begin a new paragraph and insert:

**"Sec. 0.5. The state seed commissioner shall administer this chapter."**

Page 1, line 9, delete "department" and insert "**state seed commissioner**".

Page 2, line 26, delete "department." and insert "**state seed commissioner.**".

Page 2, line 28, delete "department." and insert "**state seed commissioner.**".

Page 3, line 22, delete "department." and insert "**state seed commissioner.**".

Page 3, line 23, delete "department." and insert "**state seed commissioner.**".

Page 3, line 26, delete "department" and insert "**state seed commissioner**".

Page 3, line 35, delete "department" and insert "**state seed commissioner**".

Page 3, line 38, delete "department" and insert "**state seed commissioner**".

Page 3, line 40, delete "department" and insert "**state seed commissioner**".

Page 3, line 42, delete "department" and insert "**state seed commissioner**".

Page 4, line 6, delete "department" and insert "**state seed commissioner**".

Page 4, line 12, delete "department." and insert "**state seed commissioner.**".

Page 4, line 12, delete "The department" and insert "**The state seed commissioner**".

Page 4, line 14, delete "department," and insert "**state seed commissioner,**".

Page 4, line 20, delete "department's" and insert "**state seed commissioner's**".



Page 4, line 22, delete "department." and insert **"state seed commissioner."**

Page 4, line 23, delete "department" and insert **"state seed commissioner"**.

Page 4, line 24, delete "department" and insert **"state seed commissioner"**.

Page 4, line 27, delete "department;" and insert **"state seed commissioner;"**.

Page 4, line 31, delete "department" and insert **"state seed commissioner"**.

Page 4, line 39, delete "department" and insert **"state seed commissioner"**.

Page 4, line 41, delete "department" and insert **"state seed commissioner"**.

Page 5, line 7, delete "department" and insert **"state seed commissioner"**.

Page 5, line 10, delete "department" and insert **"state seed commissioner"**.

Page 5, line 25, delete "department" and insert **"state seed commissioner"**.

Page 5, line 31, delete "department" and insert **"state seed commissioner"**.

Page 5, line 33, delete "department" and insert **"state seed commissioner"**.

Page 5, line 35, delete "department" and insert **"state seed commissioner"**.

Page 5, line 38, delete "department" and insert **"state seed commissioner"**.

Page 5, line 40, delete "department" and insert **"state seed commissioner"**.

Page 5, line 41, delete "department" and insert **"state seed commissioner"**.

Page 6, line 3, delete "department" and insert **"state seed commissioner"**.

Page 6, line 7, delete "department" and insert **"state seed commissioner"**.

Page 6, line 8, delete "department" and insert **"state seed commissioner"**.

Page 6, line 10, delete "department" and insert **"state seed commissioner"**.

Page 6, line 12, delete "department" and insert **"state seed commissioner"**.



Page 6, line 13, delete "department" and insert "**state seed commissioner**".

Page 6, line 15, delete "department" and insert "**state seed commissioner**".

Page 6, line 34, delete "IC 15-11-6.5-6." and insert "**IC 15-15-13-6.**".

and when so amended that said bill do pass.

(Reference is to SB 357 as introduced.)

YODER, Chairperson

Committee Vote: Yeas 7, Nays 0.

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#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred Senate Bill 357, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning agricultural products and fuels.

Replace the effective dates in SECTIONS 1 through 2 with "[EFFECTIVE UPON PASSAGE]".

Page 1, line 14, delete "contiguous".

Page 1, line 15, delete "field of".

Page 1, line 16, delete "means a:" and insert "**means:**".

Page 2, line 1, delete "person, joint venture, or cooperative" and insert "**an individual, a partnership, a company, or a corporation**".

Page 2, line 3, delete "person," and insert "**a person,**".

Page 2, line 6, delete "a person, joint" and insert "**an individual, a partnership, a company, or a corporation**".

Page 2, line 7, delete "venture, or cooperative".

Page 2, line 18, delete "Substance" and insert "**Substances**".

Page 2, line 30, after "commissioner." insert "**The state seed commissioner shall adopt rules to oversee the licensing, production, and management of:**

(1) industrial hemp; and

(2) agricultural hemp seed;

to ensure integrity of audits and security of field sites of each





**commodity."**

Page 4, line 40, after "inspect" insert **"independently, or in cooperation with the state police department, a federal law enforcement agency, or a local law enforcement agency,"**.

Page 5, delete lines 30 through 35.

Page 6, between lines 35 and 36, begin a new paragraph and insert:  
**"SECTION 2. IC 15-16-2-36, AS ADDED BY P.L.2-2008, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 36. (a) Notwithstanding any other law, all excess funds accumulated from the fees collected by:**

(1) the state chemist, under this chapter, IC 15-15-2, IC 15-16-4, and IC 15-19-7; and

(2) the state seed commissioner under IC 15-15-1 **and IC 15-15-13;**

shall be paid to the treasurer of Purdue University. The funds shall be administered by the board of trustees of Purdue University.

(b) On approval of the governor and the budget agency, the board of trustees may spend the excess funds for the construction, operation, rehabilitation, and repair of buildings, structures, or other facilities used for:

(1) carrying out the purposes of those chapters referred to in subsection (a) under which the fees are collected; or

(2) the agricultural programs authorized by law and in support of the purposes of the chapters referred to in subsection (a).

**SECTION 3. IC 34-30-24.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]:**

#### **Chapter 24.2. Immunity Related to Domestic Fuels**

**Sec. 1. As used in this chapter, "associated dispensing equipment" means equipment that is:**

(1) intended for the storage and dispensing of any transportation fuel at a stationary facility that dispenses the transportation fuel into any fuel tank of any motor vehicle, motor vehicle engine, nonroad vehicle, nonroad engine, or nonroad equipment; and

(2) subject to regulation under 29 CFR 1910.106 and 29 CFR 1926.152.

**Sec. 2. For purposes of this chapter, "compatible" has the meaning set forth in 40 CFR 280.12.**

**Sec. 3. As used in this chapter, "E15" means a transportation fuel consisting of gasoline and ethanol, with ethanol constituting not more than fifteen percent (15%) of the volume of the**



transportation fuel.

**Sec. 4.** As used in this chapter, "motor vehicle" has the meaning set forth in Section 216 of the federal Clean Air Act, 42 U.S.C. 7550.

**Sec. 5.** As used in this chapter, "motor vehicle engine" means an engine in a motor vehicle.

**Sec. 6.** As used in this chapter, "nonroad engine" has the meaning set forth in Section 216 of the federal Clean Air Act, 42 U.S.C. 7550.

**Sec. 7.** As used in this chapter, "nonroad equipment" means any recreational, construction, industrial, agricultural, logging, residential, commercial lawn and garden, or other equipment that is powered by a nonroad engine.

**Sec. 8.** As used in this chapter, "nonroad vehicle" has the meaning set forth in Section 216 of the federal Clean Air Act, 42 U.S.C. 7550.

**Sec. 9.** As used in this chapter, "person" includes the following:

- (1) An individual.
- (2) A corporation.
- (3) A company.
- (4) An association.
- (5) A firm.
- (6) A partnership.
- (7) A society.
- (8) A joint stock company.
- (9) A governmental entity, including:
  - (A) the state;
  - (B) a county; and
  - (C) a political subdivision (as defined in IC 36-1-2-13).

**Sec. 10.** As used in this chapter, "provider of financial assurance" means an entity that provides financial assurance to an owner or operator of an underground storage tank through one (1) of the mechanisms listed in 40 CFR 280.95 through 40 CFR 280.103, including a guarantor, an insurer, a risk retention group, a surety, the issuer of a letter of credit, the issuer of a state-required mechanism, and a state.

**Sec. 11.** As used in this chapter, "qualified person" means a person that sells, supplies, distributes, stores, manufactures, or refines a transportation fuel.

**Sec. 12.** As used in this chapter, "retailer" means a qualified person that operates the pump from which a transportation fuel is dispensed.



**Sec. 13.** As used in this chapter, "transportation fuel" means any fuel or fuel additive that is authorized, after January 1, 2010, by the administrator of the U.S. Environmental Protection Agency or under any federal law, for use in:

- (1) a motor vehicle;
- (2) a motor vehicle engine;
- (3) a nonroad vehicle;
- (4) a nonroad engine; or
- (5) nonroad equipment.

The term includes E15.

**Sec. 14.** As used in this chapter, "underground storage tank" has the meaning set forth in IC 13-11-2-241.

**Sec. 15.** As used in this chapter, "underground storage tank system" means an underground storage tank and:

- (1) connected underground piping;
- (2) underground ancillary equipment; and
- (3) a containment system, if any.

**Sec. 16. (a)** A qualified person other than a retailer is not liable for bodily injury or any damage that results if a self-service purchaser introduces into a motor vehicle, a motor vehicle engine, a nonroad vehicle, a nonroad engine, or nonroad equipment a transportation fuel that is:

- (1) not approved for the motor vehicle, motor vehicle engine, nonroad vehicle, nonroad engine, or nonroad equipment under Section 211 of the federal Clean Air Act, 42 U.S.C. 7545; or
- (2) not recommended by the warranty of the manufacturer of the motor vehicle, motor vehicle engine, nonroad engine, nonroad vehicle, or nonroad equipment.

**(b)** A retailer is not liable for bodily injury or any damage that results if:

- (1) a self-service purchaser introduces into a motor vehicle, a motor vehicle engine, a nonroad vehicle, a nonroad engine, or nonroad equipment a transportation fuel:
  - (A) not approved for the motor vehicle, motor vehicle engine, nonroad vehicle, nonroad engine, or nonroad equipment under Section 211 of the federal Clean Air Act, 42 U.S.C. 7545; or
  - (B) not recommended by the warranty of the manufacturer of the motor vehicle, motor vehicle engine, nonroad engine, nonroad vehicle, or nonroad equipment; and
- (2) the following statement, or a substantially similar



statement, is prominently displayed on the pump from which the self-service purchaser pumps the transportation fuel:

**"THIS FUEL CONTAINS UP TO 15% ETHANOL.**

**Before fueling, regardless of the model or year of your vehicle, check your manufacturer's warranty regarding the compatibility of this fuel with your vehicle."**

**Sec. 17. A transportation fuel is not considered a defective product if it does not violate a control or prohibition concerning a characteristic or component of the transportation fuel that is imposed by the administrator of the United States Environmental Protection Agency under Section 211 of the federal Clean Air Act, 42 U.S.C. 7545.**

**Sec. 18. (a) A person is not liable for bodily injury or property damage that results if an underground storage tank, an underground storage tank system, or associated dispensing equipment that is used to store or dispense a transportation fuel is not compatible with that transportation fuel if the tank, system, or equipment has been determined to be compatible with the transportation fuel under subsection (c) or (d).**

**(b) A provider of financial assurance may not deny payment for a claim on the basis that an underground storage tank, an underground storage tank system, or associated dispensing equipment that was used to store or dispense a transportation fuel was not compatible with that transportation fuel if the tank, system, or equipment has been determined to be compatible with the transportation fuel under subsection (c) or (d).**

**(c) If an applicable law or regulation requires that an underground storage tank, an underground storage tank system, or associated dispensing equipment used to store or dispense a transportation fuel be listed by a nationally recognized testing laboratory and the requirement addresses material compatibility for the substance to be stored or dispensed from the tank, system, or equipment, the manufacturer of the tank, system, or equipment shall be provided the opportunity to satisfy the requirement by self-certifying the tank, system, or equipment under the following terms:**

**(1) The manufacturer must be required to provide empirical information that:**

**(A) is substantially similar to the data used by a nationally recognized testing laboratory; and**

**(B) would result in an approval of the tank, system, or equipment if requested by the equipment owner,**



regulatory body, insurance agency, or other materially affected party.

(2) The manufacturer must sign a letter specifying:

(A) that the tank, system, or equipment is compatible with the specific fuels or the range of biofuel blends; and

(B) that the compatibility of the tank, system, or equipment is substantiated by the empirical information referred to in subdivision (1).

(3) The letter must be sent:

(A) to the Petroleum Equipment Institute for publication in the Petroleum Equipment Institute's "Biofuels Compatibility Library"; or

(B) to a similar clearing house for publication in a similar publication.

(d) If an underground storage tank, an underground storage tank system, or associated dispensing equipment used to store or dispense a transportation fuel is not required by an applicable law or regulation to be listed by a nationally recognized testing laboratory, the manufacturer's approval of the tank, system, or equipment is an acceptable method of demonstrating that the tank, system, or equipment is compatible with the transportation fuel for the purposes of subsections (a) and (b).

(e) Any underground storage tank, underground storage tank system, or associated dispensing equipment that, as of July 1, 2014, has been listed by a nationally recognized testing laboratory as compatible with a transportation fuel is considered compatible with that transportation fuel for purposes of this section."

Page 7, after line 9, begin a new paragraph and insert:

"SECTION 4. An emergency is declared for this act."

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 357 as printed January 28, 2014.)

LEHE, Chair

Committee Vote: yeas 8, nays 0.

